

SENSITIVE

PAGE 1 - 83

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK  
 SUBJECT CATEGORY: OUTGOING

MESSAGE / ANNOTATION:

ANNOTATIONS:  
 SCOWCROFT, LORD

MESSAGE:  
 UNK374

OO MEXICO  
 DE WTE #1179 0790735  
 ZNR UUUUU  
 O 200730Z MAR 73  
 FM THE SITUATION ROOM TOHAK 30  
 TO JON HOWE FOR DR. KISSINGER  
 ZEM  
 UNCLAS WH30777  
 TOHAK 30  
 NEWS SUMMARY  
 MARCH 20, 1973  
 (MONDAY NETS, WIRES.  
 MAGS IN SEPARATE COMPILATION.)  
 THE MAJOR STORIES OF THE DAY:  
 - SVN HAS THREATENED TO OFFICIALLY IGNORE CEASE-FIRE AND  
 COUNTERATTACK NVA SHELLING ON TOWN NEAR AN LOC. JMC/  
 ICCS HAVE TAKE NO ACTION. STORY LED ABC/NBC. BOTH NETS  
 ALSO NOTED US AGAIN COMPLAINED ABOUT INFILTRATION (CBS BRIEFLY  
 NOTED SVN THREAT BUT NO MENTION OF US COMMENTS.) ABC FOLLOWED  
 W/KOPPEL SAYING NVA INFILTRATION HAD TAPERED OFF, ALMOST TO  
 NOTHING, EVEN BEFORE RN'S "THINLY VEILED WARNING"...POWS  
 RETURNING TO US ON FILM ON ALL NETS W/FLYNN ON NBC FILM SAYING  
 "GOD BLESS AMERICA, GOD BLESS RN" AND TELLING OF HIS SINCERE  
 GRATITUDE FOR SERVING UNDER A PRES. LIKE RN. HE ALSO THANKED  
 HAK AND ALL WHO HELPED...THOMPSON--LONGEST-HELD POW IN US  
 HISTORY--CIVILIAN MANHARD, JUSHNER AND THE "REBORN" RIDGEWAY  
 WERE FEATURED ON OTHER NETS.  
 - ECONOMY WAS A KEY FACTOR IN DAY'S NEWS ONCE AGAIN, LED CBS  
 W/ REPORT ON DOLLAR'S UNEXPECTED STRENGTH AS OFFICIAL MARKETS  
 OPENED FOR FIRST TIME IN ALMOST 3 WEEKS... NBC TOOK A LOOK ON  
 HOW VW PRICES ARE BEING FORCED UPWARD AND ABC EXAMINED THE  
 FEAR OF REVALUATION IN JAPANESE INDUSTRY TOWNS.  
 - ALL NETS NOTED--#2 ON CBS--PRIME RATE HIKED TO 6 3/4 FROM  
 6 1/4 W/ABC/CBS TELLING OF ADMIN "DISPLEASURE" WHICH LED  
 BURNS TO SUMMON THE BANKS WHICH SO ACTED TO EXPLAIN MOVES  
 IN DC THURS...CBS ALSO W/FILM FROM CATTLEMEN CONVENTION  
 WHERE ANNE ARMSTRONG SOUGHT TO EXPLAIN ADMIN ADVICE TO  
 HOUSEWIVES ON SELECTIVE BUYING. BUT SEVERAL OF RANCHERS  
 INTERPRETED HER REMARKS AS PRO-BOYCOTT AND THEY WEREN'T PLEASED.

SENSITIVE

SENSITIVE

PAGE 1 - 84

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK  
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MESSAGE / ANNOTATION:

- SEVAREID SAID ADMIN PLANS TO TIGHTEN UP ON INSANITY PLEAS IN CRIMINAL CASES AREN'T PUBLIC YET AND LAWYERS ARE WAITING TO SEE HOW SWEEPING THEY'LL BE. BUT THAT DIDN'T STOP ERIC FROM SEEING LITTLE VALUE IN THE RUMORED PROPOSALS WHILE HE ALSO TOOK A SWIPE AT RN'S CALL FOR LESS DISCRETION FOR JUDGES ON PUSHER CASES--TAKES US BACK A LONG WAY, HE CONTENDED...NBC/CBS OUTLINED SEC MEMO WHICH TELLS OF HILEVEL ADMIN-ITT CONTACTS, RE: THE ANTITRUST CASE. LIKELY TO BRING MORE HEADLINE, SAID CHANCELLOR AND DUKE FOUND "SERIOUS NEW QUESTIONS" WHILE  
 END PAGE ONE

HERMAN OF CBS SAID IT'S STILL TO BE DETERMINED WHAT WAS DONE ILLEGALLY OR IMPROPERLY.

- W/NETS COMING UNDER INCREASING ATTENTION IN PAST WEEK BOTH FROM W/IN AND W/OUT, THE COVERAGE THE NOW 3-WEEK OLD SIEGE OF WOUNDED KNEE CONTINUES AT RELATIVELY LOW LEVEL. FILM ONLY ON ABC AS OTHERS BRIEFLY NOTED AIM'S "FINAL ULTIMATUM" IS THAT IT'LL DEAL ONLY W/RN OR THRU AN EMISSARY OF SIOUX NATION CHOSEN BY HIM UNDER TERMS OF 1868 TREATY.

- ALL NETS NOTED SUPREME COURT DECLINED, W/OUT COMMENT, TO HEAR CASE OF THE ONCE-JAILED NJ REPORTER PETER BRIDGE, ABC W/LENGTHY LOOK AT BATON ROUGE CASE OF "PERHAPS HISTORIC TERMS" WHICH MAY EVEN LEAD TO STRENGTHENING OF 1ST--THAT WOULDN'T HAVE BEEN POSSIBLE, SAID REYNOLDS, HAD NOT 2 REPORTERS AND A PUBLISHER TAKEN RISKS OF DEFYING A JUDGE'S ORDER.

- FILM ON ALL NETS (4 MINUTES ON NBC/CBS) OF SERIOUS STORMS AND FLOODING IN MISS., TENN AND MICH. W/DISASTERS AREAS DECLARED THRUOUT BY VARIOUS GOVS.

- HKS COMMENTARY ON THE NATION OUTSIDE DC--THINGS ARE IMPROVING ON RACE, CRIME, DRUGS, WELFARE, ETC.

INDOCHINA  
 POWS

ALL POWS HELD BY VC WILL BE RELEASED BY SUNDAY. NO IMMEDIATE WORD ON POWS HELD BY NVN BUT IT'S BELIEVED THEY'D ALSO BE FREED BY SUN....EARLIER US PROPOSED NVN ADVANCE DATE FOR RELEASING THE LAST 146 POWS TO NEXT SUNDAY, PARALLELING ACCELERATION OF POW EXCHANGES BY THE 2 VNS...NBC NOTED NVN SAID AN EARLIER RELEASE THAN SCHEDULED MIGHT BE POSSIBLE.

DOD SAID LAST 6,000 GIS CAN BE PULLED OUT W/IN "A COUPLE OF DAYS" AFTER COMMUNISTS RELEASE FINAL LIST OF POWS-- AND SET RELEASE DATE. IT'S HOPE THAT LAST LIST WILL INCLUDE NAMES OF SOME IN LAOS, WHO HAVE NEVER BEEN ACKNOWLEDGED. BUT SOME DOD OFFICIALS SAID CHANCES WERE SLIGHT.

UPI LEADS: "THE MOST BEAUTIFUL THING," SAID THE AMERICAN WHO WAS A POW LONGER THAN ANY OTHER US SERVICEMAN IN HISTORY OF US, "IS TO KNOW THE STAR SPANGLED BANNER YET WAVES OVER THE LAND OF THE FREE AND THE HOME OF THE BRAVE." THOMPSON

SENSITIVE

SENSITIVE

PAGE 1 - 85

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK  
 SUBJECT CATEGORY: OUTGOING

MESSAGE / ANNOTATION:

LED 11 RETURNEES AT MCGUIRE AFB....CBS FILM FROM MCGUIRE  
 --COMMONPLACE SCENE TO SOME BUT NOT TO FRIENDS, RELATIVES  
 AND CERTAINLY NOT TO POWS...ABC FROM CLARK W/THOMPSON THANKS,  
 GREETING BOY BORN SAME DAY AS HIS CAPTURE AND ALMOST SAME AGE AS  
 OWN SON. MANHARD AND THOMPSON ON PLANE STEPS REFLECTING RARE  
 "CAMRADARIE" THAT IS THEIR'S...IN 2ND FILM REPORT, CBS W/ITS  
 END PAGE TWO

3RD STORY IN RECENT WEEKS ON THE SCHWEITZER FAMILY OF CALIF--  
 SHOWN AS THEY WARMLY GREETED THEIR MAN, HOME AT LAST.  
 FOLLOWING CANADIAN FILM ON THE HAPPY HANOI CHILDREN CBS  
 AMIS RABEL INTERVIEWED EX-POW CROWSON WHO WAS DESCRIBED AS  
 "FEARING US AND AIR POWER MORE THAN VC" DURING IMPRISONMENT.  
 CROWSON ON FILM SAID WHEN BOMBS LANDED 1 1/2 MILES FROM CAMP,  
 IT PUT "THE FEAR OF GOD" INTO HIM. THE CONCUSSION AND SOUND  
 "SCARED" HIM. HE WAS "MOST DEPRESSED" IN OCT.  
 72, BECAUSE HE HAD HEARD OF AGREEMENT AND WHEN IT WASN'T SIGNED,  
 HE FIGURED IT'D BE A LONG TIME BEFORE THERE WAS ANOTHER PEACE  
 PLAN. RABEL NOTED CROWSON VOLUNTEERED FOR ARMY AND AGREED W/US  
 POLICY TIL HE CHANGED HIS MIND AS POW. CROWSON ADMITTED HE HAD  
 TAKEN EVERYTHING FOR GRANTED AT ONE TIME, BUT NOW HE FEELS WAR  
 WRONG AND US SHOULDN'T HAVE BEEN THERE. HE CAME TO CON-  
 CLUSION ON HIS OWN, NOT BY PROPAGANDA, BUT IN TALKS W/MEN IN  
 CAMP. US HAS SOME COMMUNISTS, HE ASSERTED, AND IF VIETS WANTS  
 COMMUNISM, "LET THEM HAVE IT." BUT CROWSON VOICED OPPOSITION  
 TO DODGERS/DRAFTERS, SAYING THEY ARE AMERICANS AND WHEN  
 YOUR COUNTRY CALLS, YOU SHOULD FOLLOW IT.  
 NVN INTERROGATORS KNOCKED OUT FRONT TEETH OF MYSTERIOUS  
 POW KEESEE AND PULLED HIS FINGERNAILS BECAUSE THEY THOUGHT  
 HE WAS A SPY.

CONG. LANDGREBE SENT TELEGRAMS TO NETS PROTESTING#"( #-,317)"  
 COVERAGE OF POW RETURN, SPECIFICALLY ON MARCH 14 WHEN THERE  
 WAS NOT ANY COMPLETE LIVE COVERAGE OF POW ARRIVALS. HE ACCUSED  
 NETS OF DEVOTING MORE AIR TIME TO MATTERS RELATING TO AMNESTY.  
 (OBSERVERS HERE STRONGLY DOUBT THIS LAST STATEMENT.)

CEASE-FIRE IMPLEMENTATION

CBS CALLED SVN'S THREAT TO LAUNCH A COUNTERATTACK AT TONG  
 LE CHAN "ANOTHER THREAT TO THE FRAGIL C-F." AND IT NOTED VC  
 SAID IF SVN SO ACTS, THE MOVE WOULD BE MET WITH FORCE....  
 62 DEAD IN AN AIR VN CRASH IN THE CENRAL HIGHLANDS ABOUT 142  
 MILES NORTHEAST OF SAIGON. AIRLINE SOURCES SAID THERE WERE  
 NO SURVIVORS AMONG THE 62 PERSONS ABOARD, INCLUDING 3 AMERICANS.  
 CRASH NOTED BY ABC/NBC.

DOD SAID NVN HAS POSITIONED MORE THAN 300 TANKS INSIDE SVN  
 AND ALONG BORDERS....NBC NOTED STATE SAYS IT HAS "CONVINCING  
 EVIDENCE" OF NVN VIOLATIONS. ....ABC SAID STATE FOLLOWED UP ON  
 RN'S REMARKS AND SAID US HAD RECEIVED NO SATISFACTORY ANSWER.

SENSITIVE

SENSITIVE

PAGE 1 - 86

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK  
 SUBJECT CATEGORY: OUTGOING

MESSAGE / ANNOTATION:

...UPI SAYS BRAY WENT BEYOND WHAT RN SAID WHEN THE STATE DEPT. SPOKESMAN SAID EVEN IF THIS WAS INDEED REPLACEMENT EQUIPMENT, THE COMMUNISTS HAD VIOLATED THE AGREEMENT BY NOT USING THE DESIGNATED PORTS OF ENTRY. BUT ABC/C KOPPEL SAID DESPITE  
 END PAGE THREE  
 PUBLIC EXPRESSIONS OF PROTEST, NVN INPUT INTO PIPELINE IN NORTH SEEMS ALMOST NON-EXISTENT W/HEAVY LOGISTICAL BUILDUP BEGUN IN FALL COMPLETED BEFORE RN STATEMENT AS RESULT OF RAINY SEASON AND BECAUSE SUPPLIES WERE BROUGHT TO LEVEL THEY WERE AT BEFORE 172 EASTER OFFENSIVE,  
 HOWEVER AP'S HOFFMAN REPORTS FROM DOD THAT INFILTRATION HAS CONTINUED W/O SLOWDOWN IN WAKE OF RN'S WARNING. 1 OFFICIAL SAID HE'S "NOT VERY SANGUINE" ABOUT JMC-ICCS SUPERVISION. AP ALSO NOTES US HASN'T BEEN ABLE TO MAINTAIN NVN RECON FLIGHTS, CBS NOTE AND NBC FILM AS GVN/VC OPENED FORMAL TALKS ON POLITICAL FUTURE OF SVN IN PARIS. DOBYNS SAID STATEMENTS WERE NOTICEABLY MODERATE IN CONTRAST TO SVN'S WAR THREAT MADE IN SAIGON AND 2 SIDES SEEM TO FEEL THEY CAN SET UP A JOINT POLITICAL COMMISSION.  
 ...AP FOUND "A CONCILIATORY TONE AND NONE OF THE VEHEMENCE THAT MARKED THE 4 YEAR-LONG TALKS."  
 W/BRIEF FILM OF AID'S WILLIAMS ARRIVING IN PARIS FOR TALKS, NBC'S DOBYNS SAID AMOUNTS AREN'T BEING DISCUSSED YET, JUST PHILOSOPHY AND PURPOSE BEHIND AID PLANS.  
 UPI SAYS NVN IS AWAKENING FROM A RIP VAN WINKLE NIGHTMARE OF WAR THAT IT COST IT 20 YEARS OF PROGRESS.  
 OTHER INDOCHINA  
 CBS NOTE AND ABC FILM REPORT AS CAMBODIA PREVENTED ANYONE EXCEPT DIPLOMATS FROM LEAVING, SUSPENDED MOST CIVIL LIBERTIES AND ARRESTED DOZENS OF OPPONENTS OF LON NOL. ...US EMBASSY EXPRESSED "GRAVE CONCERN" OVER THE VIRTUAL IMPRISONMENT OF ALL US AND FOREIGN VISITORS. ...SOME DIPLOMATS TERMED LON NOL'S ACTIONS AN OVERREACTION WHILE OTHERS SAID IT GAVE HIM WHAT HE NEEDED TO SEIZE THE REINS OF POWER.  
 ABC/CBS NOTED LON NOL HAS MOVED TO A HEAVILY DEFENDED VILLA 2 MILES FROM CENTER OF PHNOM PENH...WESTERN DIPLOMATIC SOURCES BELIEVE LON NOL WILL CITE RN'S CABLE OF "SHOCK AND INDIGNATION" OVER THE ATTACK AS PROOF US AGREES COMPLETELY WITH THE STRIDENT SECURITY...ABC FILM OF RITES FOR THE OVER 50 VICTIMS IN PALACE BOMBING, INCLUDING MANY KIDS, LON NOL'S VERSION OF STORY ONLY PARTLY ACCEPTED AS MANY NOTE THE DISSATISFACTION W/GOV'T--ENERGY, INFLATION AND WAR PROBLEMS ARE SERIOUS. NOW INTENSE POLITICAL PRESSURES ARE ADDED TO THE WAR DIFFICULTIES...THE PILOT WHO BOMBED THE PALACE APPARENTLY MADE A SUCCESSFUL GETAWAY TO COMMUNIST TERRITORY.  
 END PAGE FOUR  
 US-USSR

SENSITIVE

SENSITIVE

PAGE 1 - 87

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK  
 SUBJECT CATEGORY: OUTGOING

MESSAGE / ANNOTATION:

2 SOVIET JEWS CAN LEAVE FOR ISRAEL W/OUT PAYING THE HEAD TAX, JEWISH SOURCES REPORTED. THEY COMPARED THE EXEMPTIONS TO THE PERIOD BEFORE ELECTION WHEN TAX WAS WAIVED IN SEVERAL DOZEN CASES AS AN APPARENT PR GESTURE.

14 GOP MCS LED BY WHITEHURST URGED RN TO EXERCISE RESTRAINT ON NEW STRATEGIC WEAPONS DEPLOYMENTS WHILE SALT II IS PROCEEDING, THEY RECOMMENDED R&D ON NEW "DESTABILIZING" (UPI) WEAPONS SUCH AS B1, TRIDENT, AND WARHEADS SHOULD CONTINUE, BUT ACTUAL DEPLOYMENT SHOULD BE POSTPONED IN SOME CASES PENDING OUTCOME OF TALKS. COUGHLIN, DELLENBACK, DUPONT, FRENZEL, GUDE, HEINZ, HORTON, MCCLOSKEY, MCKINNEY, MOSHER, ROBINSON, STANTON, AND WHALEN WERE OTHER SIGNERS. A RUSSIAN SCIENTIST SAYS US SPECIALISTS WILL BE PERMITTED IN '75 FOR 1ST TIME TO BE IN RUSSIAN CONTROL CENTER DURING A SOVIET SPACE MISSION. THEY'LL BE ALLOWED TO MONITOR LAUNCH AND FLIGHT, BUT IT WON'T BE TECHNICALLY REQUIRED FOR THEM TO VIEW LAUNCH ITSELF.

AP SAYS THAT IN "FIGHTING TO KEEP GIS IN W.GERMANY"--AND HIS PARTY UNITED--BRANDT RESORTED TO A SURPRISE MOVE AGAINST GROWING ANTI-AMERICANISM W/HIS IMPLIED THREAT TO RESIGN AS HEAD OF THE PARTY.... TALMADGE SAID US DOESN'T NEED--AND CAN'T AFFORD--TO KEEP 300,000 GIS AND DEPENDENTS IN EUROPE. HE SAID 2/3 SHOULD BE W/DRAWN. HE NOTED W. GERMANY WAS PROPOSING TO IMPOSE A TAX OF \$10M A YEAR ON US BASES THERE, RETROACTIVE 10 YEARS, AND DECLARED: "IT BOGGLES THE MIND. WE'VE BEEN MAINTAINING SEVERAL DIVISIONS THERE FOR OVER 25 YEARS FOR THEIR DEFENSE, AND ARE WE NOW BEING TOLD WE HAVE TO PAY TAXES FOR THE PRIVILEGE?"

OTHER FOREIGN AFFAIRS

UPI'S NEWSOM FINDS WORLD POWER POLITICS DRAWING JAPAN AND USSR CLOSER TOGETHER. A RESUMPTION OF NEGOTIATIONS FOR A PEACE TREATY FORMALLY ENDING WWII SEEMS TO BE IN CARDS FOR SPRING, TO BE FOLLOWED OR EVEN ACCOMPANIED BY A SEPARATE \$1B DEAL FOR JOINT DEVELOPMENT OF SIBERIA. UPI ALSO SAYS RECENT INDICATIONS HAVE BEEN THAT JAPAN NOW IS READY TO ACCEPT A ROLE OF GREATER INTERN'T'L RESPONSIBILITY, ESPECIALLY IN ASIA...US EMBASSY IN TOKYO SAID IT HAS NO KNOWLEDGE OF RN PLAN TO VISIT JAPAN. JAPANESE REPORTS QUOTED THE RULING PARTY'S SECY GEN AS SAYING INGERSOLL INDICATED RN WOULD PROBABLY NOT VISIT JAPAN TIL NEXT YEAR.

PRC IS RAPIDLY EXPANDING NUKE DEVELOPMENT, PRIMARILY TO MEET THREAT OF SOVIET PRE-EMPTIVE ATTACK, WESTERN DEFENSE EXPERTS SAID IN LONDON. THEY SAID PRC IS PREPARING TO TEST 1ST ICBM, POSSIBLY THIS YEAR. THEY SAID PRC ALREADY HAS ALL BUT OVERTAKEN FRANCE IN NUCLEAR DEVELOPMENT. PRC ALSO HAS SET UP AN ANTIMISSILE EARLY WARNING SYSTEM AGAINST ANY PRE-EMPTIVE SOVIET STRIKE. UPI'S THALER NOTES "PEKING AND MOSCOW ARE OBSESSED WITH FEAR OF EACH OTHER. THIS SEEMS TO TRANSCEND THE MERE PROPAGANDA SCARE ON EITHER SIDE."

END PAGE FIVE

PRC SAYS US HAS IMPOSED A "COLONIAL RULE" IN CANAL ZONE AND, NOTED

SENSITIVE

SENSITIVE

PAGE 1 - 88

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK  
 SUBJECT CATEGORY: OUTGOING

MESSAGE / ANNOTATION:

ABC, SAID PANAMA'S CLAIM FOR CONTROL WERE "JUST AND REASONABLE."  
 UPI FOUND HUANG HAU'S ADDRESS MILD IN TONE, ESPECIALLY WHEN COMPARED  
 WITH THE VEHEMENT ATTACK BY CUBA...PRC FORMALLY ASKED SECURITY  
 COUNCIL TO SUPPORT PANAMA'S EFFORTS TO GET JURISDICTION. THE SOVIET  
 UNION, ALTHO AGREEING THE CANAL "BELONGS TO PANAMA," EMPHASIZED  
 THE NEED FOR "A SETTLEMENT OF THE ISSUE WHICH WOULD INSURE JURISDICTION  
 OF PANAMA OVER ITS FULL TERRITORY AND ALSO ENSURE FREEDOM OF  
 WORLD SHIPPING." MALIK DEVOTED MUCH OF SPEECH TO URGING A NUCLEAR-  
 FREE ZONE IN LAT. AMER....ABC NOTED AUSTRALIA SAID ISSUE WASN'T  
 A SECURITY COUNCIL MATTER...SCALI REPORTED HE'S "CAUTIOUSLY OPTIMISTIC"  
 ABOUT ATTEMPTS TO PREVENT OPEN CONFRONTATION. HE'S EXPECTED TO SAY  
 THAT OUTSIDERS CAN'T DICTATE TERMS OF THE NEGOTIATIONS.  
 STATE SAID 2 CUBANS WHO HIJACKED A FISHING BOAT WERE TOLD THEY  
 COULDN'T HAVE SAFE HAVEN HERE, BUT COULD NOT CONFIRM THE MEN WERE  
 STILL IN US AFTER HAVING JUMPED SHIP WHILE ENROUTE BACK TO CUBA.  
 BRAY SAID IT HAD BEEN "MADE CLEAR TO THEM US WAS NOT TO BECOME  
 A HAVEN FOR HIJACKERS."....THE FISHERMEN ARE REPORTED HIDING OUT  
 W/A MIAMI EXILE GROUP. IN ITS LEAD, UPI SAYS THEY FACE A POSSIBLE  
 FIRING SQUAD IN CUBA....IT'S LATER REPORTED THAT THE DUO PLANS TO  
 SURRENDER AS FIRST STEP TOWARD SEEKING ASYLUM.  
 ISRAEL WILL RECEIVE 50 MORE PLANES FROM US. AN ISRAELI OFFICIAL  
 SAID IF USSR SUPPLIES EGYPT W/ADVANCED MIG23, AS REPORTED IN  
 BEIRUT, THE NEW WEAPONS WON'T RADICALLY ALTER THE POWER BALANCE....  
 ISRAEL ALSO HAS DEVELOPED A NEW ASSAULT RIFLE.  
 TURKEY'S MAJOR PARTIES AGREED TO EXTEND TERM OF PRES. SUNAY AS A  
 COMPROMISE SOLUTION TO THE MILITARY-CIVILIAN DEADLOCK.  
 AFTER A MONTH WALKOUT AND A CRASH WHICH KILLED 68, CIVILIAN CONTROL  
 OF AIR TRAFFIC OVER FRANCE IS EXPECTED TO BE FULLY OPERATIONAL TUESDAY.  
 DOLLAR/TRADE  
 CBS NOTED IN DOLLAR'S SLIGHT RISE THAT TRADING WAS LIGHT AND HESITANT  
 AND DEALERS WARNED AGAINST READING ANYTHING INTO THE GOOD SHOWING.  
 SPECULATORS ARE WAITING TO SEE THE EFFECT OF THE REFORMS. IT MAY  
 TAKE MONTHS TO SEE HOW DOLLAR WILL DO AND NOBODY, SAID SHEHAN IN  
 BONN, BELIEVES THERE'LL BE ANY SURPRISE COMEBACK BY DOLLAR, AS  
 DAMAGE IS DONE. REPORT ALSO NOTED HOW LESS YANKS ARE COMING TO GERMANY  
 --BUT JAPANESE ARE STARTING TO MOVE IN...FROM PARIS CBS TOLD OF  
 "BURST OF NERVOUS AND CAUTIOUS ACTIVITY" W/MANY FEELING DOLLAR HAS  
 GONE AS LOW AS IT CAN. STILL, 1ST SIGNS ARE OF AN UNEXPECTED VOTE  
 OF CONFIDENCE IN THE US CURRENCY...NBC'S HAGER SAID THO DOLLAR WAS  
 FAIRLY STRONG, IT WAS UNDER THE 3/1 LEVEL WHEN MARKETS WERE LAST  
 OPEN.  
 IN EXPLAINING HOW DEVALUATION AFFECTS US IMPORTS, NBC REPORTED VW  
 HAD RAISED PRICES 3 TIMES IN 5 MONTHS DUE TO ITS SHRINKING PROFITS  
 FROM US SALES--THOSE SALES ARE WAY OFF BUT W/DOLLAR'S VALUE DOWN,  
 VW HAS NO CHOICE BUT TO MAKE ITS EXPORTS MORE EXPENSIVE....  
 ABC FROM JAPAN SAID 5 PER CENT CHANGE IN YEN/DOLLAR RELATIONSHIP

SENSITIVE

SENSITIVE

PAGE 1 - 89

SITUATION LISTING

DATE 04/24/73//114

SITUATION: HAK  
 SUBJECT CATEGORY: OUTGOING

MESSAGE / ANNOTATION:

HASN'T AFFECTED TRADE MUCH YET, BUT IT'S A START.

END PAGE SIX

CBS FILM OF SHULTZ IN LONDON WHERE HE'S HAVING NON-STOP SERIES OF MEETINGS, INCLUDING W/COUNTERPART BARBER. COLLINGWOOD SAID THE SECY IS APPARENTLY CONVINCED DOLLAR WILL SURVIVE INTACT FOR TIME BEING SO HE'S LOOKING AT CONSIDERABLY MORE LONG-TERM MATTERS SUCH AS NEED FOR MONETARY REFORM TO AVOID STOP-GAP REMEDIES AND HE'S EMPHASIZING EEC NEED TO END TARIFF DISCRIMINATION LEST US BE FORCED TO RETALIATE...

UPI SAYS BRITISH SOURCES SAID SHULTZ INDICATED SOME US IMPATIENCE OVER SLOWNESS OF MONETARY NEGOTIATIONS IN "COMM OF 20."

VOLCKER ASSURED HILL US HAD DEVALUED ENOUGH--FOR NOW AND INTO THE FORESEEABLE FUTURE. HE TOLD WHAT UPI CALLS "A SOMEWHAT SKEPTICAL SEN. APPROPRIATIONS COMM. THAT HE IN FACT SAW "AT LEAST AS MUCH AS A CHANCE" OF AN UPWARD REVALUATION...IN FACT, SAYS AP, VOLCKER NOT ONLY SAID HE EXPECTS BALANCE OF PAYMENTS TO RALLY VIGOROUSLY BE THE END OF '73, BUT HE "WENT OUT ON A LIMB CAUTIOUSLY" AND SAID THERE'S A GOOD CHANCE US PAYMENTS WILL BE IN BALANCE IN 2 YEARS...

VOLCKER ALSO SAID THE RECENT TRANSACTIONS WILL REQUIRE A NEW APPROPRIATION OF \$2.25B.

REP. REUSS ON CBS AM SAID EARLY NEWS SHOWS FLOAT CAN WORK AND IF EVERYONE KEEPS CALM AND CENTRAL BANKERS STAY OUT OF THE WAY, HE BELIEVES IT WILL ALL WORK OUT. PUNCH EDITOR DAVIS, THO, THINKS IT'S TOO EARLY TO TELL. WHILE DOLLAR APPEARS TO BE "SETTLING DOWN," AGREEMENT IS "VAGUE," SO TIL IT'S TESTED, HE'LL QUESTION ITS SUCCESS. WHILE HE'S NOT "SKEPTICAL," HE IS "CAUTIOUS." DAVIS ALSO SAID IT WAS HARD TO UNDERSTAND WHY DEVALUATION IS CONSIDERED BY US AS "TRIUMPH" OR "VICTORY"--IT'S A "BIT ODD" TO CALL IT THAT. REUSS DISPUTED IT WAS "TRIUMPH," BUT ADDED US WAS HEADED FOR DISASTER W/HUGE FOREIGN DEBT AND EXPORTING OF JOBS SO IT HAD TO "BLOW THE WHISTLE" SOMEWHERE.

THE BRITISH DAVIS DIDN'T SEE FLOAT AS "MIRACLE CURE" EITHER, AND PREFERS FIXED RATES THAT WOULD BE ADJUSTED FROM TIME TO TIME. NOTING DOLLAR HAD DEVELOPED AS A INTERNATL. CURRENCY, DAVIS REMARKED THERE IS SUPPOSED TO BE 1 EUROPEAN CURRENCY BY '80 BUT FORM LOOKING AT "SQUABBLES" IN LATEST CRISIS, IT'S DOUBTFUL THERE WILL BE. AFTER REUSS HAD MENTIONED "EXPORT OF JOBS" SEVERAL TIMES (INFERRING BY MULTINATIONALS), CBS' BENTON FINALLY INQUIRED ABOUT THIS. REUSS DECLARED A GOOD FACET OF DEVALUATION AND DOLLAR'S DECLINE AS PRIMARY CURRENCY IS THAT IT WOULD COST US COMPANIES MORE ABROAD AND DOD COULDN'T OPERATE ABROAD AT DISCOUNT. CONNALLY URGED CANADA AND US TO LOOK TO PACIFIC FOR NEW MARKETS AND EXPLORE NEW AREAS OF TRADE W/IN NORTH AMERICA TO OFFSET CLOSER ECONOMIC TIES AMONG EUROPEAN COUNTRIES.

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SENSITIVE